

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6180**

**BILL NUMBER:** HB 1261

**DATE PREPARED:** Jan 5, 2001

**BILL AMENDED:**

**SUBJECT:** Appropriations Continuation.

**FISCAL ANALYST:** Diane Powers

**PHONE NUMBER:** 232-9853

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that if the General Assembly fails to adopt before April 30 of an odd-numbered year an appropriation act for the following two state fiscal years, the amounts appropriated for government operations for the current state fiscal year, excluding appropriations for capital expenditures, are appropriated for the next two state fiscal years.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** Under the current statute, if the General Assembly fails to enact a state budget, there is a provision for the Governor and the Secretary and Treasurer of State to draw warrants from the State Treasury for the necessary and current expenses of the following institutions that the General Assembly is constitutionally obligated to support: all psychiatric hospitals; the Indiana State School for the Deaf; the Indiana State School for the Blind; the Veteran's Home; the Plainfield Juvenile Correctional Facility (the Boys's School). In addition there are a number of obligations of state agencies that are funded out of continuing appropriations which may be able to continue absent a new budget bill. Another statute (IC 4-9.1-1-7) allows the State Board of Finance to transfer money "between appropriations for any board, department, commission, office, or benevolent or penal institutions of the state." Therefore it is possible that they may transfer funds from these limited number of agencies and institutions to other agencies to cover the necessary expenses for a short period of time.

This bill provides that, if a budget act is not adopted, the amounts appropriated for government operations for the current state fiscal year, excluding appropriations for capital expenditures, are appropriated for the next state fiscal year. This bill expands the ability of the state to continue general operations until a new budget bill is adopted. Since the bill excludes appropriations for capital expenditures, any reduction in the current level of spending will be the amount appropriated for capital expenditures. For FY 2000 and FY 2001, the following amounts have been appropriated:

Total Operating Appropriations	FY 2000	FY 2001	Biennial Appropriations	Total Appropriations
General Fund	6,772,846,679	7,032,865,350	411,482,274	14,217,194,303
Dedicated Funds	3,310,788,616	3,493,970,524	31,309,705	6,836,068,845
Federal Funds	604,275,523	624,904,943	1,467,100	1,230,647,566
Total	10,687,910,818	11,151,740,817	444,259,079	22,283,910,714

Total Capital Appropriations				
General Fund			527,378,664	527,378,664
Dedicated Funds	25,000,000	25,000,000	308,394,026	358,394,026
Total	25,000,000	25,000,000	835,772,690	885,772,690

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** See Explanation of State Expenditures.

**State Agencies Affected:** All.

**Local Agencies Affected:** All

**Information Sources:**